



ABERDEEN
CITY COUNCIL

RELOCATION GUIDANCE

GUIDANCE

<u>Contents</u>	Page
Introduction	2
Who is eligible?	2
How will the specific pre-determined posts be identified?	2-3
Qualifying Expenses	3-5
• Pre-employment Visit To The City and Surrounding Area	
• Lodging/Commuting Expenses	
• Legal/Estate Agents' and Mortgage Fees	
• Removal Expenses and Storage Costs	
• Bridging Loan Interest	
• Settling-in Allowance	
Non-Qualifying Expenses	5
Claiming Relocation Expenses	6-7
• Process for claiming, authorisation and payment	
Remedies	7
Contact details	8

List of Appendices

Appendix 1- Reimbursement of Relocation Expenses Form

Appendix 2 – Letter A

Appendix 3 – Letter B

Appendix 4 – Letter C

Appendix 5 – Letter D

Appendix 6 - Record of Individual Claims

Introduction

This guidance accompanies the Council's Relocation Policy and provides details on the expenses that can be claimed and the process for making claims. It also includes the claim form to be used by employees making relocation expense claims and a recording form and set of letters to be used by those administering claims.

Who is eligible?

As detailed in the Relocation policy, it applies to eligible new employees who have to relocate to the Aberdeen area to take up their appointment. The policy is designed to help ensure that the Council has an adequate supply of employees at all levels of the organisation. Hence, it only applies to specific posts as pre-determined by the appropriate Directorate in conjunction with the HR Service.

This policy only applies to eligible permanent appointments, or (where it is clearly determined at the outset) for eligible fixed term appointments of 2 years or more. In the case of fixed term appointments of more than 12 months but less than 2 years, a proportion of the total allowances covered by the policy may be paid in exceptional circumstances (e.g. for highly specialised posts or for specific projects where the likely source of appropriate applicants is further afield). This will be determined by the appropriate Head of Service in consultation with their HR Business Partner. It should be noted that no further payments would be made if the fixed term appointment is then extended or made permanent.

How will the specific pre-determined posts be identified?

Each Directorate will compile and maintain a list of specific posts that qualify for the Relocation policy. It will be for each Directorate to determine which posts are included on the list in conjunction with the HR Service. The list will be reviewed periodically, where posts can be added or removed, as appropriate (with a copy of the up-to-date list given to the HR Service Centre, for reference).

When a post on the list falls vacant and is to be advertised the Directorate should indicate on the Workforce Change Form that it is a post covered by the Relocation

policy enabling the successful candidate to qualify for the policy if they require to relocate to the Aberdeen area to take up their appointment. It should also be detailed in the job advertisement if the relocation policy is to apply in order to help attract applicants.

Qualifying Expenses

For relocation expense claims to remain exempt from Income Tax and National Insurance there are restrictions imposed by HM Revenue and Customs (HMRC) on what can be regarded as qualifying expenses and to the amount that can be claimed. As such, only the following can be claimed for, up to a maximum overall value of £8000, excluding VAT:-

Pre-employment Visit to the City and Surrounding Area

The Council will reimburse all necessary costs incurred by the employee and his/her immediate family for a visit(s) to the City of Aberdeen and surrounding area prior to taking up appointment. The visit(s) will be for the purpose of seeking and viewing prospective accommodation and the costs can include return travel, overnight accommodation (where required) and related expenditure for meals (not including alcohol). Where overnight accommodation is required, employees can stay at a hotel/guesthouse of their choice, but bearing in mind the need to exercise reasonableness when making claims. Employees can contact their administrative support team for information regarding available accommodation, if required.

Reimbursement in respect of the above will only be made AFTER the employee has taken up appointment.

Lodging/Commuting Expenses

Employees seeking permanent accommodation (to purchase or rent) who are unable to purchase/rent a property and move into it before they commence work with the Council, shall be eligible to claim, with effect from their first day of duty, the rent of any temporary accommodation they occupy. This DOES NOT include any rental deposit that may be required in advance by an employee's landlord. Payment will be made on the production of appropriate receipts.

Alternatively, where it is more convenient for an employee in such circumstances to commute daily rather than take lodgings, necessary actual travelling costs will be paid with effect from the employee's start date, on the production of appropriate receipts.

Where the employee uses a car for commuting, they can claim the Council's approved mileage rate for all miles travelled for each return journey. These mileage claims are taxable. Details of this mileage rate are available from the administrative support teams within Services or can be accessed on the 'Zone' (Intranet) under the Travel and Subsistence page.

Legal/Estate Agents' and Mortgage Fees

Payment can be made in respect of legal expenses and estate agents' fees in connection with the sale of a property and legal expenses and survey fees in connection with the purchase of a new property.

Payment can also be made in respect of Land and Buildings Transaction Tax (formerly known as Stamp Duty) and in respect of fees, which are chargeable by the Council, in relation to requests for mortgage references.

Removal Expenses and Storage Costs

Payment can be made to cover the cost of removal, insurance of goods during transit and storage (including insurance), where necessary, of furniture and household effects.

Storage costs will only be paid in arrears in case the date of entry into the new home is earlier than anticipated to avoid any unnecessary repayment claims by the Council.

The costs of a second move from temporary accommodation to the new permanent accommodation will be reimbursed in a circumstance where the employee has initially had to move into temporary accommodation.

Alternatively, an employee may opt for removal by van hire and payment will be made to cover the cost of the van hire, insurance and fuel.

Bridging Loan Interest

The cost of bridging loan interest can be paid to cover the interest costs of a bridging loan necessarily taken out where the employee has been unable to sell his/her home and has purchased a new home within the City of Aberdeen or surrounding area.

Settling-in Allowance

Claims can only be made in respect of domestic goods intended to replace items used at the old home that are not suitable for use in the new home (this **must** be the case for the tax exemption to apply, in accordance with HMRC rules). Examples would be carpets, floor coverings and curtains that were the wrong size for the new home, or an electric cooker to replace a gas cooker where there is no gas supply in the new home.

Please see below examples of non-qualifying expenses.

Non-qualifying Expenses

It should be noted that monies are paid solely for the expenses of relocation. This does not include any rental deposit that may be required in advance by an employee's landlord, in a situation where an employee has initially had to move into temporary accommodation and also does not include the payment of Council Tax or utility bills.

Home entertainment products such as televisions, games consoles, audio equipment and information technology products such as tablets, pc's, laptops and mobile phones are also non-qualifying, as are kitchen and bathroom ware, bedding, other general household items and digital TV subscriptions. Please note that this list is not exhaustive.

Claiming Relocation Expenses

To ensure that claims are reimbursed accurately and in a timeous manner it is necessary to follow the points below with the process for administering claims including authorisation also detailed below:-

- Claims for payment must be submitted on a fully completed relocation expenses claim form (see Appendix 1), signed by the employee, and accompanied by original receipts/invoices (showing VAT paid and the VAT registration number of the supplier, where applicable) for all expenditure actually incurred.
- No direct billing may be made to the Council, with all relocation expense claims being settled on a reimbursement basis.
- Employees may submit claims one at a time, or they can submit more than one claim on the same form.
- All claims must be made no later than 12 months after the employee's start date. In exceptional circumstances, where an employee is unable to complete his/her relocation arrangements within the 12 month claiming period, the Head of HR may approve an extension of the time limit of up to 6 months if satisfied that the reason was beyond the control of the employee. In such circumstances, a written request must be made by the employee, supported by the appropriate Head of Service, no later than one month before the time limit expires.
- The Relocation policy should also be referred to in respect of all relocation expense claims in particular the 'Core Principles', with these applying to all claims.

Process for claiming, authorisation and payment

1. The HR Service Centre confirms to the employee in writing of their eligibility for the Relocation policy, with relevant conditions and details of the process for claiming contained in the letter (see Appendix 2 – Letter A). On receipt of this letter the employee can start to submit claims in accordance with the policy and accompanying guidance.
2. Employee completes and submits a 'Reimbursement of Relocation Expenses' form (see Appendix 1) along with appropriate receipts/invoices (showing VAT paid and the VAT registration number of the supplier, where applicable) to their Business Manager (or equivalent) in their Directorate.
3. The Business Manager (or equivalent), seeks authority for the relocation expense claim from the Head of Service.

4. Where the claim is authorised by the Head of Service, the Business Manager (or equivalent) submits the form with the receipts/invoices to the HR Service Centre for processing.
5. The HR Service Centre confirms to the employee in writing that their claim has been authorised and will be paid in the next available pay run into their bank/building society account (see Appendix 3 – Letter B). (Where the claim has not been authorised the HR Service Centre will confirm this in writing to the employee along with the reason why (see Appendix 4 – Letter C).
6. The Payroll Section will reimburse the authorised claim as part of the employee's monthly salary payment. Where a claim is received after the Payroll deadline it will be reimbursed in the following month's salary.
7. The HR Service Centre will keep a record of each claim made by the employee using the standard record sheet (see Appendix 6).
8. Where an employee is nearing the maximum amount which may be claimed under the policy the HR Service Centre will highlight this to the employee in writing before any further claims are made (see Appendix 5 – Letter D).

Remedies

If an employee considers that the Relocation policy and accompanying guidance has been unfairly applied they can raise a grievance under the Council's Managing Grievances policy/procedure. Any suspected abuse of the policy and accompanying guidance will be addressed in accordance with the Council's Managing Discipline policy/procedure.

RELOCATION GUIDANCE REIMBURSEMENT OF RELOCATION EXPENSES FORM

Please complete this form in **DARK INK** and **BLOCK CAPITALS** and submit it along with appropriate receipts/invoices (showing VAT paid and the VAT registration number of the supplier, where applicable) to the Business Manager or equivalent in your Directorate for authorisation by your Head of Service whereupon the details will be forwarded to the HR Service Centre for processing and payment of the amount into your bank/building society account.

Claims may be made on a separate basis as and when expenses are incurred. However, all claims must be made **no later than 12 months** after your start date of employment.

A. Employee details

Full Name:

Service:

Job Title:

Payroll Number: Location:

Salary Grade: Appointment Date:

Current Address:

.....

B. Expenses Claimed

(Please refer to the Relocation policy and associated Guidance for details of eligibility requirements and the maximum allowance claimable and attach appropriate receipts/invoices showing VAT paid and the VAT registration number of the supplier, where applicable)

1. PRE-EMPLOYMENT VISIT TO THE CITY / SURROUNDING AREA

Travel costs: £.....

Accommodation costs: £.....

Subsistence costs: £

Combined Total: £

- If leaving 0-6 months from start date of employment – repayment of all expenses advanced.
- If leaving 7-12 months from start date of employment – repayment of 50% of expenses advanced.
- If leaving 13-18 months from start date of employment – repayment of 25% of expenses advanced.
- If leaving 19-24 months from start date of employment – repayment of 12.5% of expenses advanced.

I also certify that my claim for relocation expenses is being made in accordance with the Council’s Relocation Policy and accompanying guidance.

Signature Date

- (ii) For employees on fixed term appointments of more than 12 months but less than 2 years (who are eligible for relocation expenses).

I certify that I will refund the Council an appropriate portion of monies received under the Relocation Policy, based on the duration of my contract, as determined by my Head of Service in consultation with the Head of HR, should I decide to leave the Council prior to the end of my appointment.

I also certify that my claim for relocation expenses is being made in accordance with the Council’s Relocation Policy and accompanying guidance, (including any claim for Settling-in Allowance).

Signature Date

- E. Authorisation for payment by Head of Service (following which reimbursement should be arranged by processing the above details through the Payroll Section with the amount paid into the employee’s bank/building society account).

Signature Date

For Payroll Use:

Date Processed **Initials**

Form is placed in employee's personal file following processing.

Our Ref:
Your Ref:
Contact:
Direct Dial:
Direct Fax:
E-Mail:

PERSONAL

Dear

RELOCATION POLICY

Further to your recent offer of employment, I write to confirm your eligibility for the Council's Relocation Policy and enclose a copy of the document and guidance notes. Please read these carefully for details of general conditions relating to the Policy and the process for making claims.

I would inform you that all relocation expense claims require to be made in accordance with these documents and you should contact me if you have any queries regarding eligibility for any part of the Policy or if you have any general queries in connection with relocation, before any expenditure is incurred.

All claims require to be submitted on a relocation expenses claim form (accompanied by original receipts/invoices, showing VAT paid and the VAT registration number of the supplier, where applicable and signed by yourself) obtainable from me or available from the 'Zone' (Intranet). I would point out that claims are settled on a reimbursement basis for all expenditure actually and necessarily incurred (with no direct billing to the Council allowed). The claim(s) will then require to be authorised by your Head of Service with payment made by the Payroll Section in the next available pay run directly into your bank/building society account.

Please note that you can submit claims one at a time or you can submit more than one claim on the same form. You should also note that in respect of the Settling-in Allowance heading in the policy and guidance, claims can only be made in respect of domestic goods intended to replace items used at the old home that are not suitable for use in the new home (this must be the case for the tax exemption to apply, in accordance with HMRC rules). Otherwise a tax liability may apply to you.

I would advise you that the relocation package cannot exceed the maximum amount as detailed in the Policy document and that employees are expected to exercise

reasonableness when making claims. I would therefore encourage you to keep your own personal record of claims made as you go along.

Finally, I would point out that to qualify for the Policy your new place of residence requires to be in a location which will enable you to fulfil your contractual obligations and responsibilities. I would also advise you that all claims require to be made within 12 months of the date you started in post.

Please contact me if you have any queries regarding the Policy or guidance.

Yours sincerely

Assistant HR Co-ordinator

cc Personal file

Our Ref:
Your Ref:
Contact:
Direct Dial:
Direct Fax:
E-Mail:

PERSONAL

Dear

RELOCATION POLICY

Thank you for submitting a relocation expenses claim form and receipts in respect of your ???? (£) and ???? (£). I would confirm that this has now been authorised for payment.

I have passed the relevant information for processing to the Payroll Section who will arrange for £? to be paid to you through the payroll in the next available pay run directly into your bank/ building society account.

If you have any queries in respect of the above or if you require any further assistance, please contact me.

Yours sincerely

Assistant HR Co-ordinator

cc Personal file

Our Ref:
Your Ref:
Contact:
Direct Dial:
Direct Fax:
E-Mail:

PERSONAL

Dear

RELOCATION POLICY

I refer to the relocation expenses claim form and receipts you submitted in respect of your _____ expenses and note their contents.

Unfortunately, your claim cannot be authorised, for the following reason(s):-

e.g. Did not qualify, has exceeded the overall limit, is out with the period for making claims etc.

Please contact me if you wish to discuss this matter further.

Yours sincerely

Assistant HR Co-ordinator

cc Personal file

Appendix 5 – Letter D

Our Ref:
Your Ref:
Contact:

Direct Dial:
Direct Fax:
E-Mail:

PERSONAL

Dear

RELOCATION POLICY

I refer to the relocation expense claims you have submitted to date and write to inform you that you are nearing the maximum amount which may be claimed under the policy.

Please contact me before incurring any further costs or submitting any further relocation expense claim forms, in order to clarify the above.

Yours sincerely

Assistant HR Co-ordinator

cc Personal file

RELOCATION EXPENSES

RECORD OF INDIVIDUAL CLAIMS (to be completed by HR Service Centre)

NAME:		SERVICE:	
LOCATION:		JOB TITLE:	
GRADE:		DATE APPOINTED:	
PAYROLL NO:			

NOTE: MAXIMUM AMOUNT CLAIMABLE UNDER THE POLICY is £8,000 (excl. VAT)

* Mileage claimed as commuting expenses is taxable and the **tax element of these claims will not count towards the £8,000 limit.**

	AMOUNT £	NOTES / COMMENTS	DATE PROCESSED	ACTIONED (INITIALS)
PRE-EMPLOYMENT VISIT(S)				
TOTAL				
LODGING EXPENSES				
COMMUTING EXPENSES *		Specify whether rail, bus or mileage claimed.		
TOTAL				

	AMOUNT £	NOTES / COMMENTS	DATE PROCESSED	ACTIONED (INITIALS)
LEGAL/ESTATE AGENTS' FEES				
MORTGAGE FEES				
TOTAL				
REMOVAL EXPENSES AND STORAGE COSTS				
TOTAL				
BRIDGING LOAN INTEREST				
TOTAL				
SETTLING-IN ALLOWANCE				
TOTAL				

GRAND TOTAL		Please specify what is taxable and non-taxable		
Taxable *				
Non-Taxable				

CLAIMS COMPLETED:

DATE: _____

SIGNED: _____

(Note: Once all relocation expense claims have been completed this form should be filed in the employee's personal file)